

City of Austin
External Audit of Human Resources Investigative Practices

GENERAL STANDARDS:	Yes	No	N/A	Reviewer Comments
<u>INDEPENDENCE</u>	_____	_____	_____	_____
1. The audit organization and the individual auditor, whether government or public, must be independent (GAS 3.02). Quality Control System procedures should include:				
a) Verify auditors were independent during the period covered by the subject matter of the audit and the period of the engagement (3.05)	_____	_____	_____	_____
b) Identify threats to independence, evaluate their significance, determine if identified threats to independence have been eliminated or are at an acceptable level, and apply and document safeguards as necessary (3.08, 3.20-3.23, 3.24, 3.59)	_____	_____	_____	_____
c) Evaluate the categories of threats to independence: self-interest, self-review, bias, familiarity, undue influence, management participation, and structural (3.14)	_____	_____	_____	_____
d) Decline or terminate the audit if threats cannot be eliminated or reduced to an acceptable level. (3.25)	_____	_____	_____	_____
e) Evaluate the impacts of threats identified after	_____	_____	_____	_____

GENERAL STANDARDS:**Yes****No****N/A****Reviewer Comments**

report issuance and take
appropriate steps. (3.26)

2. When performance of a
required nonaudit service
could impair independence
with respect to a required
audit, disclose the nature of
the threat that could not be
eliminated or reduced to an
acceptable level and modify
the GAGAS statement
accordingly. (3.44)

PROFESSIONAL JUDGMENT

3. Use professional judgment
(includes exercising
reasonable care and
professional skepticism) in
planning and performing
audits and in reporting the
results. (3.60, 3.61)

COMPETENCE

4. Assess skill needs to consider
whether the essential skills
match those necessary to
perform a particular audit.
(3.69, 3.70)
5. Staff assigned to conduct an
audit should collectively
possess the technical
knowledge, skills, and
experience necessary. (3.72)

GENERAL STANDARDS:**Yes****No****N/A****Reviewer Comments**

6. External/internal specialists assisting with or performing GAGAS audits are qualified and competent. (3.79-3.81)

GENERAL STANDARDS:	Yes	No	N/A	Reviewer Comments
<u>PREVIOUS AUDITS AND ATTESTATION ENGAGEMENTS</u>				
7. Follow up on findings from prior audits/engagements. (4.05, 5.06)				
<u>FRAUD, NONCOMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS, AND GRANT AGREEMENTS, AND ABUSE</u>				
8. Do not interfere with investigations or legal proceedings. (4.09, 5.10)				
<u>ELEMENTS OF A FINDING</u>				
9. Develop the elements of a finding that are relevant and necessary to achieve audit or engagement objectives. (4.10-4.14, 5.11-5.15)				
<u>DOCUMENTATION</u>				
10. Make appropriate individuals and audit or attest documentation available to other auditors or reviewers upon request, subject to applicable laws and regulations. (4.16, 5.17)				
<u>REPORTING</u>				
11. Report known or likely fraud, noncompliance, or abuse that is material to those charged with governance and when applicable, to external parties under specific circumstances. (4.25-4.26, 5.24-5.25)				
12. Develop the elements of the				

GENERAL STANDARDS:	Yes	No	N/A	Reviewer Comments
findings to the extent necessary to assist with understanding the need for taking corrective actions and making recommendations. (4.28-4.29, 5.27-5.28)	<hr/>	<hr/>	<hr/>	<hr/>
13. Report known or likely fraud or noncompliance with laws, regulations, contracts, or grant agreements or abuse to outside parties when: 1) management fails to report as required or 2) management fails to take timely and appropriate steps to respond. (4.30-4.32, 5.29-5.31)	<hr/>	<hr/>	<hr/>	<hr/>
14. Report views and planned corrective actions of responsible officials. If comments are inconsistent or in conflict or actions are inadequate, evaluate validity of comments. If auditors disagree with comments, report reasons for disagreement. (4.33-4.39, 5.32-5.38)	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>

**PERFORMANCE
STANDARDS:**

PLANNING

	Yes	No	N/A	Reviewer Comments
15. Plan and document work necessary to define audit objectives, scope, and methodology such that work provides reasonable assurance that sufficient, appropriate evidence supports conclusions. (6.06, 6.07, 6.10)				
16. Assess audit risk and significance within the context of the audit objectives by gaining an understanding of the following:				
a) Nature of the program and user needs (6.11a, 6.13)				
b) Design and implementation of internal controls (6.11b, 6.16)				
c) Design and effectiveness of information system controls (6.11c, 6.24, 6.27)				
d) Legal, regulatory, contract, and/or grant agreement provisions, and potential fraud and abuse (6.11d, 6.28, 6.30-6.32, 6.34)				
e) Impact on ongoing investigation and legal proceedings (6.11e, 6.35)				
f) Results of previous audits (6.11f, 6.36)				

**PERFORMANCE
STANDARDS:**

	Yes	No	N/A	Reviewer Comments
17. Identify potential criteria to the extent relevant to the audit objectives. Planning allows auditors to identify potential criteria and sources of evidence, and evaluate whether to use the work of other auditors or experts. (6.12 a-c; 6.37; 6.38; 6.40-6.42)				
18. Determine the type and amount of evidence needed to obtain sufficient, appropriate evidence to address the audit objectives. Evaluate whether internal control or other program weaknesses are the cause when auditors conclude that sufficient, appropriate evidence is not available. (6.39)				
19. Extend audit procedures when there are indications that fraud or abuse significant to the audit objectives may have occurred; do not interfere with legal proceedings or investigations. (6.32; 6.34-6.35)				
20. Assess qualifications and independence of specialists. (6.12d, 6.43-6.44)				
21. Assign sufficient number of appropriately skilled staff and document work performed by specialists. (6.12d; 6.45-6.46)				
22. Communicate planning, performance, and planned reporting of the audit to those				

**PERFORMANCE
STANDARDS:**

	Yes	No	N/A	Reviewer Comments
charged with governance (management, requestors, and others). Document communications. If the identity of those charged with governance is not clear, document the process used to make the identification. If the audit is terminated, document results, reason for termination, and communication to those charged with governance. (6.12e; 6.47-6.50)	<hr/>	<hr/>	<hr/>	<hr/>
23. Prepare and update a written audit plan. (6.12f; 6.51)	<hr/>	<hr/>	<hr/>	<hr/>

SUPERVISION

24. Properly supervise staff. Review work performed and document review of work before issuing the audit report. (6.53-6.55, 6.83c)	<hr/>	<hr/>	<hr/>	<hr/>
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EVIDENCE

25. Obtain sufficient, appropriate evidence to provide reasonable basis for findings and conclusions. (6.56-6.57)	<hr/>	<hr/>	<hr/>	<hr/>
26. Document assessment that evidence taken as a whole is sufficient and appropriate for addressing audit objectives and supporting findings and conclusions. (6.58, 6.67, 6.69)	<hr/>	<hr/>	<hr/>	<hr/>
27. Evaluate testimonial evidence and information provided by officials when used as evidence. (6.62, 6.65)	<hr/>	<hr/>	<hr/>	<hr/>

**PERFORMANCE
STANDARDS:**

	Yes	No	N/A	Reviewer Comments
28. Assess sufficiency and appropriateness of computer-processed information. (6.66)	<hr/>	<hr/>	<hr/>	<hr/>
29. Based on the assessment of the evidence, apply additional procedures, redefine the audit objectives, or revise the findings and conclusions, if necessary. (6.71-6.72)	<hr/>	<hr/>	<hr/>	<hr/>
30. Plan and perform procedures to develop the elements of a finding to address audit objectives and develop recommendations for corrective action. (6.73)	<hr/>	<hr/>	<hr/>	<hr/>

DOCUMENTATION

31. Prepare and maintain audit documentation related to planning, conducting, and reporting on the audit to support findings, conclusions, and recommendations before issuing the report. (6.79-6.83)	<hr/>	<hr/>	<hr/>	<hr/>
32. Document departures from GAGAS requirements and the impact on the audit and auditors' conclusions. (6.84)	<hr/>	<hr/>	<hr/>	<hr/>
33. Make appropriate individuals and audit documentation available to other auditors or reviewers upon request, subject to applicable laws and regulations. (6.85)	<hr/>	<hr/>	<hr/>	<hr/>

**PERFORMANCE
STANDARDS:**

REPORTING

	Yes	No	N/A	Reviewer Comments
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34. Issue audit report, make the report available to the public, unless specifically limited, if audit is terminated, document results of work completed and reason for termination. (7.03-7.04, 7.06)	<hr/>	<hr/>	<hr/>	<hr/>
35. If, after the report is issued, auditors discover they did not have sufficient, appropriate evidence, follow appropriate procedures. (7.07)	<hr/>	<hr/>	<hr/>	<hr/>
36. Audit reports should contain the objectives, scope, and methodology of the audit and the audit results. In reporting methodology when sampling significantly supports findings, conclusions, or recommendations, include sample design, the reason it was chosen, and whether results can be projected to the population. (7.08-7.13)	<hr/>	<hr/>	<hr/>	<hr/>
37. Present sufficient, appropriate evidence to support the findings and conclusions in relation to audit objectives. Describe any evidence limitations and deficiencies in internal control, etc. (7.14-7.18)	<hr/>	<hr/>	<hr/>	<hr/>
38. Report scope of work on internal controls and any significant deficiencies found. Refer to separate written communication to officials in audit report. (7.19)	<hr/>	<hr/>	<hr/>	<hr/>

**PERFORMANCE
STANDARDS:**

	Yes	No	N/A	Reviewer Comments
39. Report likely fraud, illegal acts, and significant violations of contracts or grant agreements, or significant abuse. (7.21-7.22)	<hr/>	<hr/>	<hr/>	<hr/>
40. Report known or likely fraud, illegal acts, violations of contracts or grant agreements, or abuse to any appropriate outside parties. (7.24-7.26)	<hr/>	<hr/>	<hr/>	<hr/>
41. Report conclusions based on objectives and findings. (7.27)	<hr/>	<hr/>	<hr/>	<hr/>
42. Recommend actions to correct identified problems and to improve programs and operations. (7.28)	<hr/>	<hr/>	<hr/>	<hr/>
43. Use the language in GAS 7.30 to cite compliance with GAGAS in report when all applicable requirements are followed, disclose when not followed. (2.23-2.24, 7.08, 7.30-7.31)	<hr/>	<hr/>	<hr/>	<hr/>
44. Include a copy of written comments from responsible officials or a summary of written or oral comments. Evaluate the validity of the comments and revise report as necessary. (7.08, 7.32, 7.34-7.35, 7.37-7.38)	<hr/>	<hr/>	<hr/>	<hr/>
45. If information is prohibited from public disclosure or excluded from the report due to its confidential or sensitive nature, disclose that certain information has been omitted and the reason for its omission. (7.08, 7.39, 7.42-7.43)	<hr/>	<hr/>	<hr/>	<hr/>

**PERFORMANCE
STANDARDS:**

	Yes	No	N/A	Reviewer Comments
46. Submit report to those charged with governance, appropriate officials, and appropriate oversight bodies; document any limitation on report distribution. (7.44)				